Securities Industry Essentials Exam 100 Pass Rate

Section: Securities Industry Essentials SIE Exam • **Total Questions:** 10 • **Format:** Verified Q&A

1. At least how often is a firm required to provide a customer with a statement in writing as to the availability of an investor brochure posted on the MSRB website?

(A) Monthly
(B) Quarterly
(C) Annually
(D) Once every three years

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2. A customer is considering buying a fixed annuity for a guaranteed stream of income in retirement but is concerned about inflation and missing out on market growth. After a conversation with her registered representative (RR), the customer learns that a variable annuity may be more suitable given her willingness to assume a certain amount of risk to meet her objectives. The assumed interest rate that the RR shows the customer as part of a variable annuity product is a projection of performance in the:

(A) separate account.
(B) separate and general accounts.
(C) accumulation units.
(D) mutual funds listed in the prospectus.

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3. Which of the following customers may be eligible for a mutual fund breakpoint discount?

(A) A customer who signs a letter of intent
(B) A customer who invests in a no-load fund
(C) A customer who purchases Class C shares
(D) A customer who invests in a closed-end mutual fund

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4. Under FINRA rules, a broker-dealer is required to send a statement to customers with cash or positions at least:

(A) monthly.
(B) quarterly.
(C) semiannually.
(D) annually.

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5. Control securities are those that are obtained through which of the following methods?

(A) Employee stock benefit plans
(B) Private sales from the issuing company
(C) Compensation for professional services
(D) Receiving stock while affiliated with the issuing company

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6. The taxable portion of real estate investment trust (REIT) dividend payments is typically treated as:

(A) debt income.
(B) capital gains.
(C) return of capital.
(D) ordinary income.

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7. Under FINRA rules, which of the following events does not require a registered representative to update her Form U4 disclosure?

(A) Felony convictions
(B) Regulatory disciplinary actions
(C) Receipt of a deficiency letter after an internal compliance audit
(D) Any resolution of customer complaints involving payment of $15,000 or more

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8. Which of the following statements describes a self-regulatory organization (SRO)?

(A) A governmental entity that sets industry standards and regulations and provides oversight of its members
(B) A governmental entity that has the power to create industry regulations and standards but has no authority to provide oversight of its members
(C) A nongovernmental entity that has the power to create industry regulations and standards and provides oversight of its members
(D) A nongovernmental entity that has the power to create industry regulations and standards but has no authority to provide oversight of its members

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9. Which of the following corporate actions is mandatory for the investor?

(A) A buyback
(B) A bond call
(C) A rights offer
(D) A purchase offer

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10. A registered representative opens a new margin account for a customer with an opening purchase of 100 shares of ABC at a price of $35 per share. What is the minimum amount of equity that the customer must initially deposit in the new margin account?

(A) $975

(B) $1,750

(C) $2,000

(D) $3,500